

GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

Agriculture Department - Buffer Stocks -Nomination of Andhra Pradesh State Cooperative Marketing Federation Limited as Nodal Agency for procurement & pre-position of the fertilizers for the year 2014-15 – orders –issued.

AGRICULTURE & COOPERATION (FP II.2) DEPARTMENT

G.O.Rt.No. 255

Dated: 22- 03-2014.

Read :

From the Commissioner & Director, Agriculture, Hyderabad
Lr.No. Fert-I(2) /9/2014, dt.29.1.2014.

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O R D E R:

The Commissioner& Director of Agriculture, Hyderabad vide letter read above informed that the A.P. Markfed, Hyderabad is being nominated as Nodal Agency for procurement, pre-positioning and distribution of fertilizers from the year 2008-09 onwards and requested to nominate as Nodal Agency for the year 2014-15 also.

2. Government after careful examination of the above proposal here by nominate the AP Markfed as Nodal Agency of the Government of Andhra Pradesh for procurement, pre-positioning and distribution of fertilizers for the agriculture year 2014-15 as per the following terms:

1. To maintain buffer stocks of 4.00 lakh MTs viz 1.00 lakh MT of DAP, 1.00 lakh MT of Complexes and 2.00 lakh MT of Urea by AP Markfed as per the district-wise buffer levels indicated by the Commissioner of Agriculture.
2. After implementation of the NBS policy with effect from 1.4.2010, the GOI fixes the subsidy portion on each fertilizer product at the beginning of the agriculture year (Except Urea) and manufacturers are permitted to fix the MRP depending on the international market and other parameters. Due to this leverage, the prices of DAP and Complexes have increased more than 100% over the last three years requiring higher capital investment for procurement of fertilizers. Hence in order to purchase and maintain the required levels of buffer stocks, Government permit AP Markfed to raise loans upto Rs.750.00 crores (Rupees seven hundred and fifty crores only) for the above purpose from banks/financial institutions.
3. Government will reimburse interest accrued on the bank loans availed by Markfed for the year 2014-15 on quarterly basis or till liquidation of the stocks procured and till clearance of all loans raised for the above purpose.
4. Government will reimburse the cost of incidental charges such as insurance, handling, storage and transportation etc, for the year 2014-15 and till the stocks are liquidated and
5. Government will protect AP Markfed and PACS in the event of any downward revision of fertilizer prices as Markfed will be holding huge buffer stocks on behalf of the Government and Markfed and PACS will be forced to sell the available stock at reduced prices from the date of such revisions neither Markfed nor the PACS will be in a position to absorb such a huge financial impact, hence Government agree to bear the differential cost on the buffer stocks available with Markfed and the closing stocks held by PACS in the event of any such downward price revision.

3. The Commissioner & Director of Agriculture, A.P., Hyderabad/The Managing Director, A.P.MARKFED, Hyderabad shall take further necessary action, in the matter.

4. This order issues with the concurrence of Finance (EAC) Department vide their U.O.No.03459/60/A2/EAC/14, dated.14.3.2014.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

**ANIL CHANDRA PUNETHA
PRINCIPAL SECRETARY TO GOVERNMENT**

To
The Commissioner & Director of Agriculture, A.P.
Hyderabad.
The Managing Director, A.P.MARKFED, Hyderabad.
Copy to:
The VC & MD, A.P.AGROS, Hyderabad.
The Managing Director, Hyderabad Agriculture
Cooperative Association Ltd., Hyderabad (HACA).
The Finance (EAC) Department.
Agri & Co-op(Agri.V) Dept
SF/SC.

//FORWARDED BY ORDER//

SECTION OFFICER